

Michael F. Easley  
Governor



State of North Carolina  
Office of the Governor

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**EASLEY URGES VIGOROUS PURSUIT OF COMPLAINT AGAINST CHINESE GOVERNMENT**  
*Seeks federal action to stop unfair trade policy*

**RALEIGH**— Gov. Mike Easley today visited R.F. Micro Devices in Greensboro, one of the leading manufacturers of semi-conductors, and announced his support of the U.S. Trade Representative's decision to file a complaint with the World Trade Organization against the Chinese government for offering significant subsidies to its domestic producers of semi-conductors. He encouraged vigorous pursuit of the complaint and also urged action on the Chinese regulations that hamper competition.

Easley also sent a letter today to the U.S. Trade Representative, Ambassador Robert B. Zoellick.

**The text follows:**

*"I write to support your decision to file a complaint with the World Trade Organization (WTO) last week against the Chinese government for offering subsidies to domestic producers of semi-conductors. Not only do these subsidies place U.S.-based manufacturers at a significant and unfair disadvantage, but they also distort the decision-making process for the semi-conductor industry as it chooses future locations for design and manufacturing facilities.*

*"I urge you to pursue this complaint vigorously before the WTO in the months to come. I also urge you to intensify your efforts to oppose pending Chinese regulations requiring that U.S.-made (as well as other countries') pagers, laptop computers and other devices containing wireless technology be equipped with unnecessary Chinese data-encryption systems. These rules are clearly designed to protect Chinese manufacturers from competition. They also make it easier for Chinese companies to engage in the illegal appropriation of intellectual property.*

*"As North Carolina works to transition our economy, we are investing heavily and successfully to attract and grow advanced manufacturing facilities that produce such products as semi-conductors and integrated circuits. In North Carolina, jobs in the semiconductor industry have tripled since 1999. A wide range of unfair Chinese trade practices seriously threaten our investments in these areas. The new semi-conductor subsidies and the data encryption rules are two of the most flagrant. Decisive action on these two fronts will help stem a new wave of job loss in the United States. As you know, in North Carolina, we have lost 50,000 textile and*